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Review of the implementation of the recommendations and decisions adopted by the General Assembly at its tenth special session

Thirty-fifth Anniversary of the United Nations Institute for Disarmament Research

Report of the Secretary-General

Summary

The United Nations Institute for Disarmament Research (UNIDIR) was established by the General Assembly in 1980 as an autonomous institution within the framework of the United Nations for the purpose of undertaking independent research on disarmament and related problems, particularly international security issues. For nearly 40 years, UNIDIR has consistently produced a significant output of high-quality work that, as the General Assembly has observed, requires a high degree of expertise.

In its resolution 70/69, marking the thirty-fifth anniversary of UNIDIR, the General Assembly requested the Secretary-General to commission an assessment by an independent third party with a mandate to prepare a report on a sustainable and stable funding structure and operating model for the Institute and to report in this regard, taking into account the assessment, to the General Assembly at its seventy-third session.

The present report places the results of the assessment in the context of recent developments, notably the agenda for disarmament which was launched by the Secretary-General on 24 May 2018, as well as system-wide management reforms currently under way. In the report, the important contribution that UNIDIR can make to encouraging new momentum and, potentially, progress on key disarmament issues is highlighted. In keeping with current management priorities, the need to streamline administrative support functions and enhance managerial discretion so as to enable the continued autonomy and cost-efficiency of UNIDIR is also highlighted. Drawing on the assessment, a number of recommendations are presented regarding the operating model of UNIDIR, including on its research agenda, cost structure and staffing. Recommendations are also offered on the financing and budgeting model of UNIDIR, taking into account the necessary balance of voluntary funding and the subvention that

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the Institute receives from the regular budget. With regard to the latter, an increase in the subvention is recommended in order to support the predictable delivery of the mandated functions of UNIDIR to support the informed participation of all Member States in disarmament deliberations, as well as to ensure its continued independence, impartiality and accountability.

I. Introduction

1. The United Nations Institute for Disarmament Research (UNIDIR) was established by the General Assembly in 1980 as an autonomous institution within the framework of the United Nations for the purpose of undertaking independent research on disarmament and related problems, in particular international security issues. Its work, as set out in its statute, aims to facilitate progress towards greater security for all States and towards the economic and social development of all peoples; to promote informed participation by all States in disarmament efforts; to assist ongoing negotiations, and to carry out in-depth, forward-looking and long-term research on disarmament so as to provide insights and stimulate new initiatives for negotiation. In the ensuing decades, UNIDIR has consistently produced a significant output of high-quality work that, as the General Assembly has observed, requires a high degree of expertise.

2. In its resolution 70/69 marking the thirty-fifth anniversary of UNIDIR, the General Assembly requested the Secretary-General to commission an assessment by an independent third party with a mandate to prepare a report on a sustainable and stable funding structure and operating model and to report in this regard, taking into account the assessment, to the General Assembly at its seventy-third session. The present report responds to that request.

A. Background

3. Since the establishment of UNIDIR by the General Assembly, funding arrangements have been a source of debate among Member States. The adoption of the statute of UNIDIR was delayed until 1984 owing to a lack of agreement about the appropriate mix of voluntary contributions and regular budget financing (see A/39/PV.102). The subsequent compromise noted that the voluntary contributions would form the principal source of financing and, as stated in article VII.2 of the statute, that a "subvention toward meeting the costs of the Director and the staff of the Institute may be provided from the regular budget of the United Nations, not to exceed an amount equivalent to one half of the assured income of the Institute from voluntary sources in respect of the year for which a subvention is being requested".

4. Over the subsequent 34 years, the implications and sustainability of this financing model for the structure, administration and operations of UNIDIR have been extensively, but inconclusively, discussed. In 2004, the Secretary-General noted the vital role of the regular budget subvention for "the independent and continuous nature of the Institute's normal functioning" (see A/C.5/59/3/Add.1). The General Assembly recommended an increase in the subvention to UNIDIR both in 2005 and in 2010 (see resolutions 60/89 and 65/87). The Advisory Board on Disarmament Matters, in its capacity as Board of Trustees of UNIDIR, has, since 1983, consistently expressed concern over the reliance on voluntary contributions for the independence and stability of the Institute and called for an increase in the subvention to cover the costs of institutional staff, including at its most recent meeting, in June 2018 (see A/73/259).

5. Over the years, a number of concrete recommendations and proposals have been put forward regarding the structure and financing of UNIDIR. The Office of Internal Oversight Services, in its governance audits of the Institute conducted in 2010 and 2011, highlighted the unsustainability of funding for core posts and recommended that a proposal for a more sustainable funding structure be put forward in order for

UNIDIR to achieve its mandate and objectives.[1] In 2014, the Board commissioned an internal institutional needs assessment by an external assessor which made a number of recommendations, including regarding the establishment of a revolving fund as well as core staffing needs, that were shared informally with Member States. In 2016, in the context of Member State deliberations on a draft resolution on the thirty-fifth anniversary of UNIDIR (A/C.1/70/L.30) and with a view to informing the Secretary-General's funding proposal for UNIDIR for the 2018–2019 biennium, the Department of Management undertook an internal assessment of core staffing requirements, the conclusions of which were also reported to Member States (see A/72/154, para. 67).

6. Those initiatives notwithstanding, the operating and funding arrangements of UNIDIR have remained largely unchanged since 1980. The two most notable variations have been, first, the relative decline of the proportion of the subvention relative to voluntary funding: in 2017, the contribution from the regular budget comprised some 9 per cent of the annual budget of UNIDIR and currently does not cover the net salary and common staff costs of the Director (D-2). Nor does it cover liabilities or related support costs of the incumbent. Second, voluntary funds have become increasingly earmarked for specific projects with very limited discretion in their use.

7. The Institute has weathered a number of financial crises, most notably in the period following the global economic recession of 2008. With the advice of the Board, significant administrative assistance from the United Nations Office at Geneva and financial support from a number of Member States, it has taken a number of steps to stabilize its financial situation. These include the establishment, in 2015, of a revolving capital fund to support a minimum cash base in the context of unpredictable voluntary flows, as well as a contingency reserve for accrued liabilities. Nevertheless, the financial stability and sustainability of UNIDIR rest on short-term, unpredictable foundations which affect strategic and longer-term planning, decision-making and activities.

B. Process and organization of the independent third-party assessment

8. Subsequent to the adoption of resolution 70/69, the General Assembly approved an amount of $200,000 for the conduct of the independent third-party assessment (see resolution 72/262 A). To ensure the independence of the exercise, the Office for Disarmament Affairs, in collaboration with the United Nations Office at Geneva, was tasked with managing the process. In mid-2017, a tendering process was initiated through standard United Nations procurement practices, at the conclusion of which Dalberg Global Development Advisers were awarded a contract.

9. The third-party assessment was initiated on 29 January 2018 and the final report was delivered to the Office for Disarmament Affairs on 18 May 2018. This period coincided with a period of transition in UNIDIR leadership during which a new Director was appointed, who took up her functions on 12 March. As part of its work, the external consultant contacted more than 60 stakeholders, and interviewed 49, including members of the Board, Member State representatives covering disarmament issues in Geneva, New York and capitals, relevant staff from the United Nations Secretariat, agencies, funds and programmes, and experts from external policy research institutes and think-tanks working on disarmament issues. UNIDIR made available its documentation, data and archives to the consultant, and the Office for Disarmament Affairs and the United Nations Office at Geneva provided additional data and materials as required.

[1] Audit AN2011/385/01 (see A/68/337 (Part I)).

10. The Office for Disarmament Affairs, together with UNIDIR, convened an informal meeting in Geneva on 20 June 2018 to offer interested Member States an opportunity to be briefed by the consultant on the assessment and its findings. A copy of the assessment has been made available to Member States upon request.

11. The Board considered the third-party assessment at its meeting in New York on 26 June 2018. It took note of the professional and comprehensive nature of the assessment and strongly endorsed the assessment's view on the importance of increased regular budget support towards meeting the costs of the Director and the staff of the Institute. It called upon Member States to endorse such an increase in the regular budget for 2020.

II. Current context of international disarmament and the United Nations

12. While the structure of, and the debate on, the funding arrangements of UNIDIR have remained largely constant, the context in which the Institute operates as an autonomous institution has changed fundamentally. Developments in disarmament, as well as reforms of the United Nations, have a significant impact on the broader political and security environment, as well as the administrative and operational context in which UNIDIR works. These are important factors to be taken into account when considering the structural, financial, administrative and operational aspects of the Institute in achieving its mandate and objectives.

A. Recent developments in multilateral disarmament

13. On 24 May 2018, in a speech at the University of Geneva, I presented my agenda for disarmament as set out in *Securing Our Common Future: an Agenda for Disarmament*. I was motivated to do so by my deep concern at the risks and, indeed, realities of conflict in today's turbulent and increasingly multipolar environment. In the agenda there is a call to collectively bring disarmament and arms control, critical tools in preventing and ending crises and armed conflict, back to the centre of the work of the United Nations.

14. In seeking to reinvigorate dialogue and negotiations on international disarmament and create new momentum, a comprehensive disarmament road map was offered that Member States, United Nations entities, civil society, the private sector and others could follow to save humanity, lives and future generations. The agenda recognizes the important role that UNIDIR plays in supporting Member States and multilateral processes on disarmament and proposes that this strategic role be enhanced, including in the convening and facilitation of multilateral engagement. Moreover, the mandate of UNIDIR to support the informed participation of all States in disarmament efforts is a priority in achieving better links between disarmament and progress on the Sustainable Development Goals.

15. Concretely, the agenda sets out a range of practical actions that different United Nations entities will take and highlights the role and measures that UNIDIR will take in, inter alia, nuclear weapons risk reduction; transparency and confidence-building measures in outer space activities; examining the implications of new weapons technologies, including hypersonic missiles and armed unmanned aerial vehicles; integration of arms control measures into conflict prevention activities, and the impact of the Institute's work in bringing gender equality perspectives into disarmament deliberations.

16. I am under no illusion regarding the challenges that proposals to reinvigorate disarmament present. Disarmament, non-proliferation and arms control touch the security perceptions and needs that underpin both national sovereignty and human well-being, while multilateral governance has become more complex and fragmented. The High Representative for Disarmament Affairs and her office are devoting considerable effort to communicating proposals and soliciting views and perspectives from the disarmament community. At the same time, I have been heartened by the response of many Member State representatives and stakeholders, including the Advisory Board on Disarmament Matters, to the effect that the perils of today's insecurity and instability require bold and forward-looking action. UNIDIR has an important contribution to make in stimulating new ideas and facilitating dialogue on the agenda over the coming years and I count on UNIDIR to play a key supporting role in its advancement.

B. Key United Nations management issues

17. UNIDIR already enjoys considerable autonomy within the United Nations system. It has sole responsibility for the mobilization of voluntary resources that enable the Institute to function and currently make up over 90 per cent of its annual budget. Its programme of work is approved by the Board, to which the Director reports. The Board also approves the Institute's annual budget estimates, taking into account the comments and recommendations of the Advisory Committee on Administrative and Budgetary Questions. The Director has overall responsibility for the organization, direction and administration of the Institute, including the appointment and supervision of staff, preparation and implementation of the work programme and annual budget, as well as partnerships with Governments and other entities.

18. Yet in recent years, and notwithstanding the system-wide benefits accrued through the enterprise resource planning system (Umoja) and International Public Sector Accounting Standards, the participation of UNIDIR in these processes has increased the administrative support it requires from the United Nations Office at Geneva.[2] The introduction of regular United Nations contractual arrangements (described below), for example, means that Secretariat recruitment procedures and timelines for fixed-term and temporary appointments now apply, regardless of the statutory authority of the UNIDIR Director to appoint staff to the Institute. The reports for the annual budget of UNIDIR, around $2.7 million in 2017, are prepared and reviewed internally, reviewed by the United Nations Office at Geneva, and reviewed again by the Department of Management in New York before inclusion in the annual report of the Director. While the Director of the Institute has delegated authority to receive voluntary contributions for research projects, and reports individually to each donor on the relevant projects, budgetary allotments for the Institute's accounts are issued and approved by the United Nations Office at Geneva rather than by the Institute.

19. Such procedures are not only inefficient but, as they incur cost-recovery charges for UNIDIR, financially prohibitive for the Institute and burdensome for the Secretariat. They underscore the urgent need to better align resource management authority and mandate delivery responsibility, supported by streamlined processes and procedures and greater accountability, the vision that is at the heart of the current management reforms. The Secretariat and UNIDIR have been asked to map human resource and financial processes with a view to establishing clearer divisions of roles and responsibilities, segregating duties and eliminating duplicative functions.

[2] As noted in the internal assessment of the core staffing needs of the United Nations Institute for Disarmament Research prepared by the Department of Management in 2016.

III. Findings of the independent third-party assessment

A. Role of the United Nations Institute for Disarmament Research as a research institute in the United Nations system

20. The General Assembly has repeatedly recognized, most recently in 2015 (see resolution 70/69), the contribution that UNIDIR makes to progress in disarmament, as well as disarmament and non-proliferation education. It has also underscored the importance of UNIDIR as a stand-alone and autonomous institution. The independent third-party assessment found a similar appreciation of the unique nature of UNIDIR among Member States, independent research institutes and United Nations stakeholders. The assessment highlighted five contributing attributes of UNIDIR: credibility, independence, relevance, reach and convening power. Stakeholders, according to the assessment, engage and/or made use of the products and services offered by UNIDIR to inform positions on specific disarmament topics; to fill research and/or knowledge gaps, and to benefit from the credibility that UNIDIR brings to disarmament research and debates. In a deteriorating international security environment, when trust and dialogue are in short supply, an organ of the United Nations disarmament machinery that commands credibility and a degree of confidence among stakeholders is a critical asset for multilateral disarmament processes and for the Organization.

21. In recent years, Member States and the General Assembly have been increasingly drawing on the support of UNIDIR to facilitate discussions in subsidiary groups of the Conference on Disarmament, to serve as consultants for expert-level deliberations[3] or to facilitate knowledge and information through side-events during formal disarmament deliberations. The Office for Disarmament Affairs and UNIDIR have deepened their longstanding collaboration with joint studies and events. The increased interaction between the Institute and other parts of the United Nations system through interagency processes, such as those in place to address small arms and light weapons and landmines, is to be welcomed, as is its role as a source of expertise for Security Council-established panels of experts and Secretariat entities on arms embargoes. The disarmament field has expanded and, with it, the activity of UNIDIR as a provider of diverse public goods to a range of stakeholders.

22. At the same time, and as the assessment indicated, there are some whom believe that UNIDIR could do more to connect disarmament with other multilateral initiatives, notably the Sustainable Development Goals, as well as to facilitate the engagement of academic and research actors with intergovernmental processes. As highlighted in the agenda, there is a need to reinforce partnerships for disarmament at all levels and UNIDIR is particularly well placed to convene and facilitate dialogue. The intention of the new Director of UNIDIR, as highlighted in her recent annual report (A/73/256), to increase dialogue activities with a view to engaging broader and more diverse perspectives in disarmament deliberations is a welcome development. Where relevant and appropriate, the convening ability of UNIDIR will be drawn upon to take forward the agenda and encourage Member States to explore how they can make use of this dialogue facilitation capacity, especially in addressing emerging and/or sensitive disarmament topics that lend themselves to more informal discussions or benefit from inputs from a wider range of stakeholders.

23. The assessment is frank in finding that the unique identity and added value of UNIDIR is threatened by its current operating and funding models. It concludes that,

[3] Over the past two years, for example, UNIDIR has served as consultant to groups of governmental experts on nuclear verification, fissile materials, cyber-security and the prevention of an arms race in outer space.

in the absence of other alternatives, reliance on a small set of primarily European donors may skew perceptions, if not the reality, of the focus, balance and diversity of the UNIDIR research agenda and staff. This is a risk for any entity that relies on voluntary funding, but it is even more acute in the disarmament environment given the divisions that exist among Member States on almost all issues. The sections below explore the operating and funding models of UNIDIR and possible options to address this risk.

B. Operating model of the United Nations Institute for Disarmament Research

24. The assessment looked at three areas of UNIDIR operations: research activities, cost structure and staffing, and made a number of related recommendations.

1. Research agenda

25. The United Nations Institute for Disarmament Research has traditionally sought to maintain a broad research portfolio covering weapons of mass destruction, conventional arms, and emerging technologies and means of warfare, as well as cross-cutting issues such as gender and disarmament. It has also retained institutional knowledge on the United Nations disarmament machinery and deliberations. This deliberate breadth, which reflects the intergovernmental disarmament agenda, is designed to respond to and support most requests from Member States, United Nations entities and disarmament processes for knowledge, insights or policy advice. However, as the assessment points out, the specific focus and resources of inquiry in any of these broad categories differ year by year and are primarily in response to the ability of the Institute to secure funding from donors for specific research projects. UNIDIR has not, to date, established a multi-year strategic research agenda that could assist the Institute in reaffirming the independence of research, establish a balanced programme of work, determine the level of effort needed for each programme and project and allow UNIDIR to communicate its longer-term funding needs and gaps. The assessment proposes that such a research agenda could reinforce confidence in the impartiality of UNIDIR, demonstrate its added value and support fundraising.

26. A strategic plan that includes, but is not limited to, the Institute's research agenda, is a central tool for governance, resource mobilization and communication. Equally, it is critical to enable UNIDIR to set clear goals and monitor progress against established performance indicators. The accountability, and thereby the ability, of UNIDIR to function as an autonomous and stand-alone entity will be significantly enhanced by the elaboration of a proactive and transparent plan. It is recommended that UNIDIR establish a two- to three-year strategic plan that sets out the strategic objectives, priorities and key activities of the Institute, to be presented to the Board for approval and communicated to Member States and other potential donors.

27. The assessment notes that a strategic agenda would assist the Board in fully exercising its guidance and oversight responsibilities of the Institute. The active engagement of the Board and its recent decision to meet twice a year to consider UNIDIR research and activities is a welcome development. The diverse and combined experience and expertise of the Board is a considerable asset to the Institute that should be fully exploited. In that regard, it is important to note that, at its most recent meeting, the Board considered the new Director's strategic objectives and priorities for 2018–2020. The Director and the Board are encouraged to translate this vision into a strategic plan with appropriate monitoring and reporting frameworks.

28. As part of this strategic approach, and in line with the assessment's recommendations, UNIDIR is encouraged to focus increasingly on the development

of a small set of larger, multi-year research programmes and move away from the model of multiple small-scale, single-issue projects. Such an approach would offer the Institute the opportunity to invest in developing expertise and intellectual leadership in a particular topic or subject area over a given period and could promote more proactive and responsive engagement by the Institute to new and/or emerging developments by providing a degree of flexibility in the organization of events and the preparation of research outputs. It would be more cost-efficient and help to realize some administrative economies of scale, especially with regard to project monitoring, evaluation and reporting to donors. Ultimately, it would encourage movement away from single-donor funded projects in favour of multi-donor supported programmes to the benefit of contributing donors as well as the perception of the Institute's research independence as discussed further below.

29. Ultimately, while a comprehensive, multi-year strategic plan and research agenda are necessary for resource mobilization, strategic approaches are not sufficient for successful fundraising. Potentially important areas of inquiry do not always generate support from donors, sometimes because they address politically sensitive and/or divisive disarmament issues — nuclear risk reduction is a current example — or because cutting-edge issues may not yet be on the multilateral disarmament agenda, for example, developments in drone swarming technology. Moreover, important services provided by the Institute that are not strictly research rarely attract donor attention. The information and capacity-building support offered by UNIDIR to countries outside the Organization for Economic Cooperation and Development (OECD) on various disarmament issues, for example, receives little financial support. Thus, it is important to continue to explore how the full range of UNIDIR activities, which include, but are not limited to, original policy research, can be sustainably supported.

2. Cost structure

30. The assessment suggests that the cost structure of UNIDIR, including direct and indirect costs, may be higher than that of some external research institutes but that, currently, stakeholders are willing to pay this premium given the unique attributes of the Institute.

31. It is the case that the activities undertaken by the Institute accrue costs both for the United Nations Office at Geneva, as the host and provider of some administrative services to UNIDIR, and for the Institute itself in maintaining the physical and administrative infrastructure and capacity required to support research and other activities. It is also the case, as previous discussions on change management initiatives demonstrate, that Member States see significant advantages to UNIDIR remaining a stand-alone entity within the United Nations framework. Many, including the Board, also emphasize the importance of UNIDIR being physically located in the Palais des Nations in terms of accessibility for delegations, the ability to respond to ad hoc and informal requests for information, advice or assistance, and in order to clearly reflect the role of UNIDIR within the United Nations disarmament machinery.

32. Member States continue, rightly, to seek further decreases in the Organization's operating costs. As part of this effort, Member States have encouraged the Secretariat to review the provision of logistical and administrative services on a cost-reimbursable basis. Inevitably, this has an impact on UNIDIR administrative costs and the support that the Secretariat can provide. With the prospect of the introduction of the global service delivery model, there are considerable uncertainties regarding the future structure, modalities and cost of administrative support provided by the Secretariat to UNIDIR. Recognizing the need to put in place global systems and leverage economies of scale, in order to be relevant for today's world the United Nations needs to be able to provide cost-efficient support to the entities established by the General Assembly. All steps necessary will be taken to continue to provide

administrative support to UNIDIR, including office space, at a total rate not exceeding 8 per cent of the Institute's annual budget.[4]

3. Staffing

33. Until 2015, UNIDIR engaged resident staff on the basis of letters of appointment issued by the Director to carry out specific research projects and activities, produce research products or undertake other specific, time-limited tasks on either a part-time or a full-time basis. Most management, administrative and other support staff were recruited on the same basis. Despite the short-term nature of these contracts, UNIDIR was able to maintain relative institutional continuity: three of the five current institutional staff members each have a minimum of 10 years of service in UNIDIR.

34. With the inclusion of UNIDIR in Umoja, long-standing challenges of those arrangements, including lack of clarity over liabilities, were addressed and the contracting modalities of UNIDIR were aligned with United Nations Secretariat arrangements. UNIDIR institutional staff is currently composed of, in addition to the Director, the Deputy to the Director (P-5), a Chief of Research (P-5), a Finance and Budget Officer (P-4) and an Administrative Assistant (G-4). All but the latter are recruited on fixed-term appointments.[5] In addition, a Communications Officer (P-4) is being recruited on a temporary appointment to increase the Institute's profile, visibility and outreach, a capacity gap highlighted in the assessment and supported by the Board.

35. As the assessment notes, this is less than half the capacity of the institutional staff that UNIDIR maintained prior to 2011. According to its estimates, UNIDIR is currently understaffed to effectively develop and implement plans, manage and administer research projects, including financial reporting, mobilize funds, represent and communicate the work of the Institute. As the assessment also notes, two of the core staff are also responsible for research activities, both in terms of carrying out individual specialized research and in terms of managing projects and teams. Yet the costs of maintaining a smaller core team have increased significantly given United Nations fixed-term rates and obligations, including the requirement that funding and liabilities for the contractual period — or at least one year — of a staff member are set aside in advance.

36. United Nations consultancy arrangements provide a more flexible and lower-cost option to meet research staffing needs and form the majority of contracts issued by UNIDIR. In recognition of the requirements of research generation, UNIDIR has been granted the possibility to engage consultants on contracts of longer duration. However, as the assessment notes, there are some constraints to consultancy contracts. The arrangement does not offer health insurance, relocation, pension or leave benefits, limiting its appeal, especially for researchers from outside Europe, those with families or with some degree of seniority. Consultants do not have the authority to supervise teams, to access Umoja for administrative self-service tasks or to officially represent the Institute. Paradoxically, therefore, increased reliance on consultant contracts requires more core staff capacity, both at the administrative and management levels.

37. The Institute thus finds itself in a constrained situation. Given the current core staff size and consultant contractual limitations, it will be difficult for the Institute to scale up its profile, research and activities. This, in turn, affects its ability to engage with partners and donors, raise funds and manage a wider range of projects. Where it

[4] This is the percentage levied by all United Nations multi-partner trust funds for administrative support as well as the percentage charged by the United Nations Office for Project Services for service provision.

[5] The leader for the conventional arms programme is also on a temporary appointment.

succeeds in drawing in more voluntary funding through projects, it faces increased core staffing requirements and, therefore, costs. And it confronts the possibility of being less, not more, responsive to requests and opportunities given the limited flexibility of most research project funds.

38. There is no single solution to a more equitable, effective and cost-efficient staffing model. Going forward, and drawing on the approach of many independent research institutes, UNIDIR is encouraged to pursue a number of parallel options. UNIDIR is encouraged to explore the possibility of using individual contractor agreements which, depending on their type and duration, can offer access to some benefits and thus may be an option to attract research talent and diverse staff.

39. The Institute is also encouraged to invest in partnerships with specialized research institutes, especially in non-OECD countries, that could facilitate visiting fellowships, as envisaged in the statute of UNIDIR, and contribute to a diverse and vibrant research community.

40. Going forward, the Institute may wish to consider a more decentralized operating model where individual programme heads, under the supervision of the Director and in line with the established strategic objectives, priorities and budget, are responsible for developing, mobilizing funding for, and implementing research projects and activities. This recognizes the specialized nature of research subjects and capacities, as well as the potential for nimble scaling up and down of research interests and activities over time. Programme leaders would be hired under temporary appointments which would enable them to supervise consultant staff and function with greater self-sufficiency, inter alia, through Umoja.

41. A more focused and, as required, reprofiled management team could then give greater attention to setting strategic objectives, priorities and programmes; establishing and overseeing policies and procedures for research and project design, monitoring and evaluation; resource mobilization, management and reporting; and external partnerships, and communication and outreach.

C. Financing and budgeting model of the United Nations Institute for Disarmament Research

42. Given the influence of the finances of UNIDIR on the structure and operations of the Institute, the comprehensive treatment by the assessment of the Institute's financing and budgeting model is welcomed. Usefully, it identifies trends in the broader funding environment for multilateral institutions, including the decrease in attention and funding for disarmament over the past two decades; diminished funding for international issues and public goods; increased earmarking of funds; and greater focus on work that qualifies as official development assistance.

43. While the assessment discusses a range of funding options, it also shows that not all of them are feasible. A major endowment to a United Nations entity from an individual or private organization is unlikely; and a fee-based service model runs contrary to the mandate to promote the informed participation of all Member States in disarmament. This leaves two primary sources of funding as described below.

1. Voluntary funds

44. Notwithstanding the difficult budgetary environment, UNIDIR continues to mobilize voluntary funds that make up around 90 per cent of its annual income. The assessment illustrates the relatively small donor base of this funding, with five European Member States providing 75 per cent of contributions from 2014 to 2016. Funds provided to UNIDIR are limited in scale, duration and predictability, and the

overwhelming majority of these funds are earmarked for specific projects. Notwithstanding calls from the General Assembly for unearmarked contributions, with a few notable exceptions,[6] Member States' funding patterns illustrate increased preference for earmarked contributions. The consequences and risks of this situation for UNIDIR are clearly spelled out in the assessment and have been articulated in debates on UNIDIR financing over nearly four decades.

45. While in the short term there may be limited potential for changes in the broader international funding environment, there are indications of increased interest among Governments, researchers and civil society on arms control, non-proliferation and disarmament issues. In the light of current risks, including the potential use of nuclear weapons and the repeated use of chemical weapons to horrific effect, there is growing concern over new weapons technologies and greater focus on how violence, and the means therefor, are thwarting the development of countries and people. This assumption lies behind the launch of the agenda for disarmament, the progress of which depends on the political and financial support of Member States. It is important that UNIDIR take advantage of this increased interest and, through active outreach and substantive policy-relevant products, demonstrate the added value it brings in stimulating ideas and supporting deliberations on disarmament and international security.

46. On the basis of a clear strategic plan that incorporates multi-year programming, UNIDIR should take concerted steps to expand its donor base to include non-traditional donors and appropriate private foundations.

47. Member States are encouraged to reassess their approach to UNIDIR and to give serious consideration to the establishment of framework agreements with UNIDIR and the provision of unearmarked or softly earmarked, for example, programmatic-level, funding. The support of current funders is needed for the Institute's fundraising efforts, including through outreach to, and joint funding partnerships with, other Member States. They are also encouraged to explore opportunities to consider how unspent or underspent project funds might be redirected to institutional operating costs where feasible. Those Member States that are not in a position to provide financial support, are encouraged to explore possible options for in-kind support, including the hosting of UNIDIR events, facilitation of partnerships with relevant research institutes in their countries and provision of facilities as appropriate. The group of friends of UNIDIR, which has been generously facilitated by France since November 2014, could potentially serve as an informal forum for engagement on resource mobilization and its members are encouraged to consider how the group of friends format might be optimized.

2. Subvention from the regular budget

48. The United Nations subvention from the regular budget is the only consistent source of funding for UNIDIR. As the assessment indicates, the subvention has remained largely constant since 2000 in absolute terms but its relative value has decreased: in 2017 it constituted 9 per cent of the annual budget as compared to 29 per cent in 2000. It does not cover the current costs of a Director at the D-2 level, much less any additional UNIDIR staff or institutional functions. All other costs of the Institute, direct and indirect, are covered through funds voluntarily received for individual research projects and a very small number of unearmarked contributions.

[6] In the first six months of 2018, Lebanon, New Zealand, Pakistan and the Philippines provided unearmarked contributions to UNIDIR, while Sweden committed to provide softly earmarked funds over a two-year period.

49. Even accounting for the deliberate ambiguity in the language of the UNIDIR statute, the current imbalance between voluntary and regular budget funding would appear to run counter to the spirit of the Institute's founding document. Moreover, were the General Assembly, Member States and disarmament bodies, notably the Conference on Disarmament, to tally the number of UNIDIR publications, workshops, side events and briefings which they have requested, availed themselves of, or participated in, over the past 18 years alone, it becomes clear that the Institute is grossly underresourced for the services it provides to Member States over and above the conduct of voluntarily funded research projects and contracted expert consultancies. Years of successive internal, and now external, assessments have reached a similar conclusion regarding the need and justification for an increase in the regular budget subvention to UNIDIR. The Board has made similarly consistent and persistent appeals to the Assembly.

50 This decades-long debate is coming to fruition in a politically divided and budget constrained environment. Consensus on existing funding obligations is limited and there is little appetite to consider new funding commitments. A number of targeted recommendations for a possible increase in the subvention to UNIDIR are offered below, moving away from a focus on staff funding and addressing, instead, support for the functions and services that Member States consider priorities for UNIDIR to accountably and sustainably provide.

51. Member States are encouraged to make an annual subvention to UNIDIR as part of the revised regular budget cycle. This subvention should:

(a) Fully cover the salary and related costs of the Institute's Director so as to ensure the independence, impartiality and accountability of UNIDIR leadership to the full membership;

(b) Cover the costs of at least one additional Professional post to represent the Institute, serve as certifying officer and report to the Board in the absence and/or incapacitation of the Director and to assist the Director in all management and administrative functions;

(c) Provide resources for the provision of quarterly briefings on research and ideas of relevant disarmament topics to all regional groupings and, as further requested by Member States, with a view to supporting the informed participation of all Member States in disarmament deliberations;

(d) Enable UNIDIR to organize at least three events in non-OECD countries to promote disarmament and non-proliferation knowledge, ideas and dialogue to a broader and more diverse community.

IV. Conclusion

52. The debate on the operating and financing models of UNIDIR is as old as the Institute itself. Despite their different provenance and focus, most assessments of the options for a more stable and sustainable foundation for UNIDIR have arrived at similar conclusions. The independent third-party assessment conducted in 2018, the most comprehensive one to date, makes a number of important additional observations and recommendations to enhance the role and effectiveness of UNIDIR as an autonomous institution within the framework of the United Nations. The assessment also concludes that the Institute's long-term sustainability requires an increase in its subvention from the regular budget, as well as changes in the modalities of the voluntary funds it receives from Member States. Ultimately, this assessment underscores the risks of over-reliance on small-scale project funding for the

credibility and impartiality of UNIDIR and, thus its unique status within the United Nations disarmament machinery.

53. There are sufficient new elements and opportunities to overcome the obstacles that have prevented progress to date. Arms control, non-proliferation and disarmament concerns are returning to greater prominence on the international political and security agenda. While this is largely a result of negative developments, it offers an opportunity to revisit and reframe disarmament institutions and processes, with a view to finding solutions to old and new problems. The agenda for disarmament can provide some options and ways forward, and together with the High Representative for Disarmament Affairs, I welcome every opportunity to advance dialogue and practical action among Member States as well as the wider disarmament community. I am heartened by the support and expertise received from the Advisory Board on Disarmament Matters and the engagement of many Member States, civil society and other actors in generating new momentum on disarmament. UNIDIR has a critical role to play in this necessarily multilayered effort, particularly in stimulating new ideas and solutions, and resolving the Institute's unstable funding and operating situation could offer a tangible demonstration that such momentum exists.

54. The measures set out in the present report require actions from many: UNIDIR leadership and staff, the Board, the Secretariat, Member States, donors and the General Assembly. It will require a collective effort and sustained dialogue among all stakeholders. I am grateful for the work and support of the offices and staff involved in this exercise and express my appreciation to the consultant for the thoroughness of its work.

55. The present report, like the assessment itself, was commissioned in a resolution marking the thirty-fifth anniversary of UNIDIR. It is my sincere hope that, by the time the four decades of the Institute's work are celebrated in 2020, significant steps will have been taken to resolve the question of the sustainable and stable funding structure and operating model required to achieve the mandate and objectives of UNIDIR. I look forward to exploring practical ways forward with Member States during the seventy-third session of the General Assembly.